

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Tuesday, December 14, 1965

Place: Public Utilities Commission Hearings Room
1225 Miller Street, Honolulu, Hawaii

Present: Jack K. Palk, (Oahu) Chairman Douglas R. Sodetani, (Maui)
Mrs. Dorothy S. Ahrens, (Kauai) Harold J. Silva, (Oahu)
William A. Beard, (Hawaii) William H. C. Young, (Oahu)

Tom L. Peterson, Deputy Attorney General
Robt E. Bekeart, Executive Secretary

By Invitation

Wesley F. Charlton, representing Real Estate Association of Hawaii

Absent: Yukio Kashiwa, Vice Chairman - excused.
Shirley B. Olds - excused.

Call to Order: There being a quorum, Mr. Palk, presiding as Chairman, called the meeting to order at 1:25 p.m.

Minutes: UPON MOTION, the Commission approved the minutes of Tuesday, November 23, 1965 as circulated.

Motion carried unanimously.

Financial Report: The Executive Secretary stated that the report for the month ending November 30, 1965 was not available.

Departmental cashier reported that renewal fee income as at December 13, 1965 is as follows:

As of December 13, 1965

Renewals - Brokers	\$5,550.00 (222)
" - Salesmen	<u>3,030.00 (303)</u>
	\$8,580.00

November 1965

Renewals - Broker	\$ 8,100.00 (324)
" - Salesmen	<u>3,865.00 (386)</u>
	\$11,965.00

The Commission acknowledged receipt of this informal report on the 1966 license renewal project.

Business Out
of Minutes:

LICENSING (Sec. 170-1. through 170-14.)

DBAs

The Executive Secretary reported that upon the suggestion of the Commission, the applicant, Francis A. C. Siu, is registered doing business as A.C. REALTY COMPANY.

SUBDIVISIONS (Sec. 170-30. through 170-38.)

KONA-SOUTH ESTATES SUBDIVISION - The Executive Secretary stated that no response has been received from the registrant as was intended by the Commission at its November 23, 1965 meeting. Under date November 26, 1965, the Subdivider was asked to clarify the access purchasers will have to their lots from the Hawaii Belt Road, as well as the developer's plans for internal access roads. The question of possible misleading statements in advertising and promoting this offering as being in a district of Kona was also raised with the Subdivider.

The Commission accepted the status report on the subject registration.

CONDOMINIUM (Sec. 170A-1. through 170A-38.)

REGISTRATION NO. 107 - KING KALANI

Preliminary Public Report issued November 29, 1965

REGISTRATION NO. 108 - ROYAL VISTA

Preliminary Public Report issued December 1, 1965

REGISTRATION NO. 109 - 1805 POKI STREET

Preliminary Public Report issued December 2, 1965

REGISTRATION NO. 110 - THE SCANDIA

Preliminary Public Report issued December 3, 1965

REGISTRATION NO. 111 - 1651 FROG LANE

Preliminary Public Report issued December 6, 1965

REGISTRATION NO. 112 - THE PALMS

Final Public Report issued December 10, 1965

REGISTRATION NO. 113 - HALE KILOHANA

Preliminary Public Report issued December 13, 1965

The above information on registrations carried over from the previous meeting was accepted by the Commission.

New
Business:

LICENSING

NEW CORPORATIONS, PARTNERSHIPS, DBAs and BRANCH OFFICES
UPON MOTION, the Commission ruled that the licenses tentatively authorized for the following be approved, ratifying the action of the Executive Secretary:

Corporations

WILLARD CHING REALTY, INC.	Willard C. S. Ching, RPB
UJIMORI REALTY, INC.	Jack H. Ujimori, RPB
PORTRAIT OF HOMES, INC.	Henry A. Gomes, RPB

Partnerships

(None)

DBAs

Edward Bly	dba	PALI PALMS REALTY
Kaneo Kishimoto	dba	AMERICAN HOME REALTY COMPANY
Fumio Oda	dba	HALE ANUENUE REALTY
James H. Brittain	dba	HOMES OF KAILUA

Branch Offices

(None)

Motion carried unanimously.

LICENSING OF INVESTIGATORS AS REAL ESTATE SALESMEN

The Commission, having received the report of the Executive Secretary, is satisfied with the proposed solution whereby the Investigators, by name--Yukio Higuchi, Tamotsu Tomihara, Tsunekazu Nakano, Fong Tom and Richard Muranaka are to (1) complete the required application for real estate salesman license, filing same with the fee of \$7.50; (2) remit the initial license fee of \$25.00 and request, in writing, that the license upon issuance be held in the custody of the Commission.

The Commission is of the opinion that this solution complies with effective law and regulation. It was the understanding of the members that the license will issue, when the requirements above have been met and the permanent certificate is to remain in file as long as the subject Investigators are employed in the Department.

SUBDIVISIONS

UPON MOTION, the Commission accepts as completed the Subdivision Registration Statements on the following:

MANOA ACRES, UNIT 2 - Manoa, Honolulu, Oahu, Hawaii; 24 residential lots; subdivider-Ramon N. Chiya (1149 Bethel Street, Room 204, Honolulu); selling broker-Ramon S. Chiya.

CROWN TERRACE, TRACT I, UNIT 5 - Heeia, Kaneohe, Koolaupoko, Oahu, Hawaii; 48 residential lots; subdivider-Heeia Development Company (Suite 517, 33 South King Street, Honolulu); selling broker-George M. Hasegawa, Suite 515, 33 South King Street, Honolulu.

ANELA NANI - Waiakea Homesteads, Haihai Street, Hilo, Hawaii, Hawaii; 76 residential lots; subdivider-Anela, Inc., (38 Kalakaua Street, Hilo, Hawaii); selling broker-Hiromu Yamanaka Realty, Inc.

Motion carried unanimously.

Registrations have been received on the following out-of-state subdivisions:

SILVER CREEK ESTATES, UNIT D - Eighteen (18) miles northeast of Salt Lake City, Summit County, Utah; 50 residential lots; subdivider-Silver Creek Ranch Corp., (Allan J. Lewis, President, P. O. Box 1157, Salt Lake City); selling broker-none selected in Hawaii.

SILVER CREEK ESTATES, UNIT E (63 lots)
SILVER CREEK ESTATES, UNIT F (44 lots)
SILVER CREEK ESTATES, UNIT G (110 lots)
SILVER CREEK ESTATES, UNIT H (47 lots)
SILVER CREEK ESTATES, UNIT I (40 lots)

Mrs. Ahrens will examine a representative registration in the above series and present her findings and recommendations to the Commission.

VICTOR VILLAGE - Victorville, San Bernardino County, California; 200 residential lots; subdivider-Salan Construction Co., (John Kagan, President, 8500 Wilshire Boulevard, Beverly Hills, California); selling broker-no Hawaii licensees identified in the registration.

Mr. Beard will examine this registration presenting his findings and recommendation to the Commission at its next meeting.

SUBDIVISION EXAMINATION CHECK LIST

The Chairman suggested that the Executive Secretary work up a set of guidelines to assist the members in their examination of a subdivision registration. Such a tool would assist in directing the examiner's attention and interest to those areas that touch on specific statutory requirements.

Mr. Beard stated that he has established a method whereby he examines the submission to see that the advertising and promotion matter, verified statements of professional and official persons, executed documents as well as governmental correspondence, records and reports are in line with a principle of full disclosure. He particularly looks to see if art and graphic material recite only those things that are presented in the registration.

It was agreed that as a draft of this examination check list is developed, the Chairman will assist the Executive Secretary in formulating a workable system.

CONDOMINIUMS

The Executive Secretary reported that Notices of Intention have been submitted on behalf of the following Horizontal Property Regime projects:

(UNASSIGNED) BELLEVUE TOWER
(UNASSIGNED) HONOKEANA COVE
(UNASSIGNED) LANIAKEA APARTMENTS
(UNASSIGNED) HALE VICTORIA

HORIZONTAL PROPERTY ACT PUBLIC REPORT POLICY

The Chairman made reference to the draft of the Declaratory Ruling prepared by the Deputy Attorney General, Mr. Peterson. It was noted that the Chairman's review and subsequent work on the first drawn paper had resulted in a statement that appeared acceptable to the Commission. The final product, being a continuation of the Commission's discussion at a meeting of November 23, 1965, was presented for approval.

UPON MOTION, the Commission ruled that Declaratory Ruling No. 1. Sale of condominium units under preliminary public report and additional final requirements, be made effective this date December 14, 1965, and that it be promulgated to all those interested and informed of the Commission's deliberations in this area.

(A copy of Declaration Ruling No. 1, dated December 14, 1965 is attached and made a part of these proceedings.)

Motion carried unanimously.

The Executive Secretary was ordered to prepare this ruling for the Chairman's signature and distribution to the agreed upon list of developers, attorneys, financial and lending institutions, savings and loan association, real estate organizations and various federal, state, city and county government agencies.

CHAIRMAN'S DECEMBER 10, 1965 LETTER TO MR. GEORGE CHAPLIN,
EDITOR, HONOLULU ADVERTISER

The Chairman advised the members of the need to correct the impression given in the press that the Commission approves Horizontal Property Regime projects. Because of a recent statement to that effect in the daily press, the Chairman saw fit to write Mr. Chaplin on the true role of this regulatory body in processing condominiums. It was noted that as of this date the Chairman's letter had not been acknowledged nor had there been any remedial reporting or statement in the same newspaper.

The Executive Secretary was instructed to monitor this and solicit the cooperation of the responsible publishing authorities.

Investiga-
tions:

RE-190, JACK N. MATSUZAKI - Appearance

At the invitation of the Commission, Mr. Matsuzaki presented himself, reviewed his relationship as a salesman employed by Koolau Realty Company while investing, speculating and transacting for his own account. It appears that the licensee is operating under the owner exception of the statute and prosecution for a violation may be difficult.

The Commission discussed alternatives that Mr. Matsuzaki might consider. The suggestion was made that he could place his salesman license in the custody of the Commission or he could make application for a real estate broker's license. In either of these situations, he could continue his operations as an out-of-state land dealer.

It was agreed that the Commission would take this under advisement and Mr. Matsuzaki would be notified that the regulatory body is considering whether to hold a hearing or not on this breach of regulation and law.

RE-I. WALTER FURUYA - Appearance

The broker, being present at the invitation of the Commission, reviewed the problems in the development and merchandising of the Cymbidium Acres Subdivision lots in the County of Hawaii. Mr. Furuya stated that as the selling broker he could not perform because of legal entanglements that arose in the chain of events in the developments. On the basis of the facts presented in the report and the statement of the broker it appears that there is no violation of statute or regulation.

VILLA MARINA - REGISTRATION NO. 78

It was agreed that the Commission will consider conducting a hearing on the Developer's violation of the Horizontal Property Act by not complying with Condominium Rule No. 9.

The Deputy Attorney General, Mr. Peterson, will prepare a memorandum in regards to whether the facts in the investigation report support an alleged infraction.

RE-201, ROBERT H. CORBETT

The Commission considered whether the complainant, Mrs. Williams, will stand behind her complaint. The members inquired if she might have had knowledge of the broker authority under contract to keep the funds as is alleged.

The Deputy Attorney General will review the facts as presented in the investigation report and informally advise the Commission on a proposed course of action.

Miscellaneous: EDUCATION TASK FORCE

Mr. Sodetani, as head of the force, has sent inquiries to the 11 states in NARELLO's Western District. His sampling questions were of this order: What is the commission's or board's annual budget? What is the agency's financial program for education? Do they publish and distribute a study or reference manual for their registrants? Are license fees used in the development of real estate education and research programs?

The Task Force chairman proposes that a meeting should be held in Honolulu to review the educational programs as the reports are received from other jurisdictions. Mr. Sodemani stated that he has had informal discussions with the Director, Mr. Hashimoto, on the goals and objectives of the Commission's Education Task Force.

The Chairman, Mr. Palk, observed that care should be exercised in formulating a plan of action in the areas of real estate education and research. He noted that previous efforts before the Legislature had foundered because the objectives were not clearly established and hence could not be seriously considered by the law makers.

It was agreed, on Mr. Sodemani's suggestion, that it will be helpful if all interested parties were brought together to define goals and program after the reports from other states have been assembled in some capsulized format.

Mr. Sodemani advised that he will try to have a digest of all out-of-state replies ready for the next meeting.

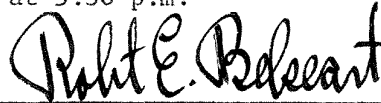
1966 BUDGET SESSION - THIRD LEGISLATURE

The Commission resolved that its Legislative Program for the coming session should include the proposed subdivision fee schedule introduced to the 1965 Regular Session, which failed to pass. Also, certain refinements and amendments to the Horizontal Property Act in the areas of Preliminary and Final Public Reports and necessary documents to be filed as part of the registration of a condominium project should be prepared. The Deputy Attorney General, Mr. Peterson, stated that the Department of the Attorney General is prepared to assist in the drafting of legislative proposals to be endorsed by the Administration.

Date of

Next Meeting: Tuesday, January 18, 1966 at 1:00 p.m.

Adjournment: There being no further business to transact, the Chairman declared the meeting adjourned at 5:30 p.m.



ROBT E. BEKEART
Executive Secretary

APPROVED BY THE COMMISSION:

JACK K. PALK, Chairman

REB:km
1/18/66